AR13

Corp report

BOARD OF DIRECTORS

Sol Armel
Donald Carr, Q.C.
William Drevnig
Albert Sherman
Jack Sherman
Mark Vansittart

OFFICERS

William Drevnig – *President*
Albert Sherman – *Vice-President and Secretary*
Sol Armel – *Vice-President and Treasurer*
Jack Sherman – *Vice-President*

TRANSFER AGENT AND REGISTRAR

The Canada Trust Company

AUDITORS

Pape, Strom, Lavine & Shulman

HEAD OFFICE

PENNINGTON'S STORES LIMITED
17 Apex Road
Toronto 390, Ontario
Telephone: 787-4973

Pennington's
STORES LIMITED

PRELIMINARY REPORT TO THE SHAREHOLDERS

For the year ended
December 31, 1971

FAIRWELL
chain of women's wear retail
82
69
13 outlets

18
69)130000
69
610
552
58

970 7.67 MILLION SALES

820,000 1971
690,000 1970 69¢

1971 PROFIT

290,000

Preliminary Report to the Shareholders

We are pleased to report that from our unaudited statement, total sales of your Company for the year ended December 31st, 1971 were $9,055,000, representing an increase of 18% over fiscal 1970.

Unaudited earnings after full provision for Income Taxes amounted to 82¢ per share, an increase of 18% over the same period of 1970. The operating results are after writing off the opening expenses of four new stores during the year. Although three of these locations were opened in the fourth quarter, and therefore did not contribute significantly to sales and earnings for the year, we are pleased with the results to date, and look forward to a meaningful contribution in 1972 from these stores.

To date, we have negotiated leases for three new locations to be opened this year. We expect to open in Brentwood Shopping Centre, Burnaby, B.C., and Surrey Place in Surrey, B.C. in the first half of the year; and in Londonderry Mall, Edmonton, Alberta in August. We have several other locations under review for additional branches to be opened during the year and in 1973.

The Company's Annual Report for 1971 and the audited financial statements, providing complete details of the year's operations, are expected to be mailed in April.

William Drevnig
President

February 11, 1972

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STORES LIMITED

INTERIM REPORT
for 26 weeks ended
July 3, 1971

To The Shareholders

The first six months of 1971 have proven profitable for Pennington's, continuing the upward trend described in previous reports.

Sales for the 26 weeks ended July 3, 1971 were a record $4,068,000, an increase of 21% over sales for the same period in 1970. Unaudited earnings after provision for income taxes increased 9.5% to $323,000. On a per share basis, net earnings were 32.3¢ as compared with 29.5¢ for the same period of 1970.

It should be noted that historically the company achieves the larger portion of its earnings in the second half of the year. Your management anticipates continuing improvement in earnings for the balance of the year.

We expect to open two new stores this Fall, in City Centre, Sudbury and in Les Rivieres Shopping Centre, Three Rivers, Quebec.

William Drevnig
President

August 1971

Statement of Earnings

(UNAUDITED) FOR TWENTY-SIX (26) WEEKS ENDED JULY 3, 1971

	JULY 3, 1971	JULY 4, 1970
Sales	$4,068,000	$3,357,000
Cost of sales, selling and administrative expenses	3,360,000	2,741,000
Depreciation	43,000	31,000
	3,403,000	2,772,000
Operating Profit	665,000	585,000
Investment Income	13,000	32,000
Income Before Taxes	678,000	617,000
Income Taxes	355,000	322,000
Net Income	$ 323,000	$ 295,000
Earnings per share	32.3¢	29.5¢

Statement of Source and Application of Funds

(UNAUDITED) FOR TWENTY-SIX (26) WEEKS ENDED JULY 3, 1971

Funds were provided from:		
Net Earnings for the period	$ 323,000	$ 295,000
Add: Items not requiring outlay of funds:		
Depreciation	43,000	31,000
Increase in Deferred Income Taxes	4,000	—
	370,000	326,000
Funds were applied to:		
Acquisition of equipment and leasehold improvements	75,000	112,000
Payment of Dividend	150,000	100,000
	225,000	212,000
Increase in Working Capital	$ 145,000	$ 114,000

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Pennington's

STORES LIMITED

PRELIMINARY REPORT TO THE SHAREHOLDERS

For the year ended
January 2, 1971

Sales in 1969 = $6.5-million

We have written this 3 times already

Preliminary Report to the Shareholders

The unaudited results for 1970 indicate that Pennington's established new records in sales and earnings for the year.

Sales in 1970 were $7,670,000 an increase of 17.5% over combined sales in 1969. Unaudited earnings in 1970 after provision for income taxes amounted to 69¢ per share compared with 58¢ per share for the same period in 1969, an increase of 19%. The opening expenses of the five new stores were completely written off.

The comparative figures for 1969 reflect the combined earnings of the individual predecessor companies from January 6th, 1969 to the date of amalgamation (April 7th, 1969) and the earnings of the amalgamated company to January 3rd, 1970.

The Company's annual report for 1970, providing complete details of the year's operations and the audited financial statements, are expected to be mailed in April.

William Drevnig
President

March 17th, 1971